

3 July 1984

MEMORANDUM FOR: Deputy Director for Administration
Director of Personnel

FROM: Director of Central Intelligence

SUBJECT: Federal Employee Productivity/Morale

1. At the Cabinet meeting last week there was a report from the Working Group on management practices. It stressed the link between productivity and morale.

2. In response to Bob's memorandum of 27 June on morale of Agency employees, I have written the President the attached letter. But the briefing from the Cabinet Council's Working Group was impressive in the range of things that it found to work well. Loretta Cornelius did the briefing and said there was a list of 79 ideas for improving performance and morale of which the Working Group recommended concentration on six of them. Try to get a copy of her presentation and let's see whether we can learn anything. You can track her down through Tim McNamar's office at Treasury.

3. One of the things they cited was to have pictures around buildings showing achievements of younger rank and file employees. In the documentary film on excellence we use the picture of [redacted]

[redacted] We can use a picture of Dewey Clarridge as having briefed the President on Central America, of the analyst who is currently briefing on the papal assassination, and others who have given important briefings of Congressional committees, etc.

4. Finally, the Cabinet was briefed on progress on OMB Circular A-76. I don't find a one-page account of what we've been doing very convincing. We plead security as the reason for not doing much. The Pentagon, which has security problems too, did 300 studies of all kinds of tiny functions which resulted in a 31 percent reduction, 7 percent in finding greater efficiency in the execution of the work studied and 24 percent from contracting out at lower prices. Overall, there was a 27 percent cost reduction resulting from a combination of the efficiency review and contracting out at prices lower than in-house costs. General Services Administration reduced its rodent control cost by 93 percent. To show that we performed here we have to be able to show a list of functions which were examined for greater efficiency and shopped around to see if lower prices were available outside. I would think that many of the functions of the Pentagon study which were contracted out did not require bidding, but I am not sure about that. Defense put on the best performance of any department. Why don't we see who is in charge of their A-76 effort and see what studies they made and then see which of them would be both applicable and acceptable here from a security standpoint.


William J. Casey

Attachment:
Ltr to President dtd 2 July 84

SECRET

Central Intelligence Agency



Washington, D.C. 20505

DDA Registry

84-1723

02 JUL 1984

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

I am writing you to express my deep concern that the ongoing review of Federal retirement systems and some of the proposed modifications to these systems will seriously impair our efforts to revitalize and enhance the effectiveness of our foreign intelligence effort.

The Agency has a unique mission requiring special people who are willing to work in a strange and demanding environment. That uniqueness was recognized by Congress back in 1947 when it created CIA and blessed CIA with unique authorities. It again recognized that uniqueness when it passed into law the CIA's retirement system, which at that time was unique in government. If anything, the needs and requirements on the Agency have increased since then, placing great demands on our ability to recruit and retain a vigorous work force.

A good number of our employees, because they must work and live under cover, are at a disadvantage when they retire because they must maintain the history of their cover even when no longer employed. That fact prohibits them from freely discussing their work experience. This, of course, is compounded by the fact that during their careers, a great number of our employees must undertake, for operational reasons, directed assignments to hazardous areas of the world where health as well as personal and family safety is threatened.

Our uniqueness is also a burden to personal freedom, in the sense that our employees are not free to undertake speaking engagements, write books or articles, accept part-time employment or travel overseas without prior approval and certain constraints. Furthermore, unlike most other government employees, Agency employees are subject to the polygraph upon entrance on duty and periodically throughout their careers. Because of cover constraints our employees are not free to participate in all insurance plans, such as the Health Benefit Program, offered to other Federal employees. Needless to say, the burdens and limitations of employment which a CIA employee faces is unmatched elsewhere in the Federal sector.

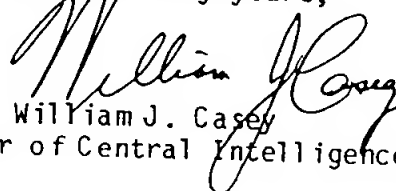
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Because of the uniqueness of our mission, we must employ personnel with highly sought-after skills, from aerospace engineers to economists to computer engineers to scientists to medical doctors. If our benefit package, particularly our retirement system, does not remain fully competitive, we will not be able to hire employees who will permit us to provide this nation with the best in foreign intelligence.

I am sufficiently concerned about the current efforts under way to modify Federal retirement systems to have asked our Director of Personnel to thoroughly review all options to ensure that we are taking the proper steps to protect our present retirement benefits. Based upon the conditions of employment we must demand, I see no alternative at this time but to continue to have CIA employees retire at younger ages than elsewhere in the Federal government at large. Thus, as changes to the Federal retirement systems are considered by the current Administration and passed by the Congress, I ask for your support and assurance that the CIA's special needs be fully recognized in the final Federal retirement package prepared for Congressional action.

You know I fully support your efforts to reduce the cost of government and would not ask for your assistance unless I truly believed the CIA mission required special consideration. The CIA retirement system must be given special consideration and I ask that you support our position with David Stockman.

Respectfully yours,


William J. Casey
Director of Central Intelligence